NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 189 LCR 65, dated Bangalore, the 15th September 1965 (Bhadrapada 24, Saka Era 1887).

Ordered that the accompanying Notification No. G.S.R. 1096, dated 26th July 1965 of the Department of Company Affairs and Insurance regarding the Companies (Official Liquidator's Accounts) Rules, 1965 which has been published in the *Gazette of India*, Part II, Section 3, sub-section (i), dated the 31st July 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., L.D.

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GOVERNMENT OF INDIA.

(DEPARTMENT OF COMPANY AFFAIRS AND INSURANCE)

THE COMPANIES (OFFICIAL LIQUIDATOR'S ACCOUNTS) RULES, 1965.

New Delhi, the 26th July 1965.

G.S.R. 1096.—In exercise of the powers conferred by section 552 and clause (b) of the proviso to section 647, read with sub-section (1) of section 642, of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely :—

1. Short title.—These rules may be called the Companies (Official Liquidator's Accounts) Rules, 1965.

2. Definitions.—In these rules, unless the context otherwise requires—

(a) "Act" means the Companies Act, 1956 (1 of 1956);

(b) "Official Liquidator means the Official Liquidator appointed by the Central Government under section 448 of the Act or by the Court under the Indian Companies Act, 1913 (7 of 1913) and includes the court liquidator or official liquidation appointed under section 38A or section 39, as the case may be, of the Banking Companies Act, 1949 (10 of 1949);

(c) "Reserve Bank" means the Reserve Bank of India and includes its branches and agencies.

3. Maintenance of accounts.—(1) The Official Liquidator shall maintain in his office separate account in respect of each company under his charge.

(2) The Official Liquidator shall also maintain—

(a) a Central Cash book in the form set out in Annexure to these rules in which shall be recorded all cash transactions, that is, cash receipts, remittances to the Reserve Bank and payments to claimants; and

(b) such other books as may be necessary to work out the consolidated balance for facilitating the periodical reconcilation of the balances in the account referred to in rule 4.

4. Opening of personal ledger account.—Every Official Liquidator shall, with the approval of the Central Government, open a personal ledger account at the nearest branch or agency of the Reserve Bank to be called the "Official Liquidator's Account" (hereinafter referred to as the said Account) which shall be a combined account in respect of all the companies under his charge.

5. Payments into account.— (1) All moneys received by Official Liquidator which under the Act are required to be paid into the public account of India shall be paid into the Reserve Bank to the credit of the said account under the head 'I'—Deposits and Advances—Part II—Deposits not bearing interest—(c) Other Deposit Accounts—Departmental and Judicial Deposits— Civil Deposits—Personal Deposits—Official Liquidator's Account':

Provided that in respect of the amounts paid under sub-section (2) of section 17 of the Deposit Insurance Corporation Act, 1961 (47 of 1961) and any provision for unpaid amounts made under section 20 of that Act by the Deposit Insurance Corporation, the Official Liquidator shall make payment to that Corporation as required by clause (a) of sub-section (2) of section 21 of that Act.

(2) All moneys realised by the Official Liquidator each day shall, without deduction be paid into the credit of the said Account not later than the next working day provided that the remittances to the Reserve Bank may be deferred until the amount realised exceeds Rs. 100.

6. Deposits of bills for collection.—All bills, cheques, hundies, notes and other securities of like nature, payable to a company in the charge of the Official Liquidator or to the Official Liquidator, shall, as soon as they come into the hands of the Official Liquidator be deposited by him in the Reserve Bank for being presented for acceptance and payment or for payment, as the case may be, and the proceeds, when realised, shall be credited by the Reserve Bank to the said account and the fact intimated to the Official Liquidator. Any discount deducted or allowed on realisation by the Official Liquidator in payment of the amount due to him or other bank charges or any other charges shall be recoverable from the persons making the payment.

7. Remittance.—(1) Payments made in cash and those made by cheque shall be remitted to the Reserve Bank under separate chalans.

(2) The acknowledgement of the Reserve Bank shall be obtained for all moneys remitted into the Reserve Bank to the credit of the said account.

8. Withdrawals from Bank.—All moneys required by the Official Liquidator for meeting the expenses of, or for making cash payments in connection with, the liquidation of a company in his charge, shall be withdrawn from the Reserve Bank by cheques and every payment made by the Official Liquidator in excess of Rs. 50 shall be made by cheques drawn against the said account.

9. Periodical examination of accounts.—The Official Liquidator shall, at the end of every three months, examine the account of each company in his charge to ascertain what moneys are available for investment and record in the record book of the company the fact of his having examined the accounts, the decision taken by him regarding the investment and, in case he decides not to invest any surplus funds, the reasons for such decisions.

10. Investment of surplus funds.—(1) The Official Liquidator shall invest all such moneys in respect of company in liquidation in his charge which are not immediately required for the purpose of winding up in Government securities, or, with the permission of the Court, in trustee securities or in interest-bearing deposits in the State Bank of India or in any other scheduled bank, provided that the Reserve Bank shall make such investment in Government securities or trustee securities only on receipt of the written request from the Official Liquidator in this behalf.

(2) Such securities shall be retained in the Reserve Bank in the name and on behalf of the Official Liquidator.

(3) Such securities shall not be sold, except by the Reserve Bank and except under the written instructions of the Official Liquidator, provided that the Reserve Bank shall not make any such investment unless the Official Liquidator requests in writing to do so.

ANNEXURE

(*See* rule 3)

CENTRAL CASH BOOK

(Cash Book of the Official Liquidator)

Receipts						Payments						
Date	Name of Company	Particulars	Number of receipt	Amount		Date	Name of Company	Particulars	Number of Voucher or chalan	Amount		Number of Cheque
				Cash	Bank					Cash	Bank	
				Rs. P.	Rs. P.					Rs. P.	Rs. P.	
1	2	3	4		6	7	8	9	10	11	12	13

Instructions:—

(1) This Register is common to all the liquidations administered by the Official Liquidator, and the day to day transactions of the Official Liquidator shall be entered in this Register chronologically. Sufficient details shall be entered under the column 'Particulars' to show clearly the nature of the transaction, the person by whom or to whom the payment was made, and on what account it was made.

2 All cash and cheques received by the Official Liquidator shall, upon their receipt, be entered on the Receipts side under 'Cash' and 'Bank' respectively. When the cash collections are paid into the Reserve Bank by the Official Liquidator, an entry against cash on the payments side shall be made and a corresponding entry made under 'Bank' on the Receipts side. Where money is withdrawn from the Reserve Bank by cheque, the amount shall be entered as a payment under 'Bank' on the payments side and entered as a receipt under 'Cash' on the Receipts side.

3 Where a cheque paid into the Reserve Bank is returned dis-honoured, the entries previously made in the account in regard to it shall be reversed by appropriate reverse entries.

4 Cash and cheques shall be remitted into the Reserve Bank under separate chalans, and remittances in respect of each company shall be made under a separate chalan.

5 Vouchers for payments made by the Official Liquidator shall be obtained at the time of making payment, and they shall be numbered consecutively in a separate series for each half year. Receipts for payments made to the Official Liquidator shall be issued out of a counterfoil receipt book the leaves of which shall be machine-numbered consecutively.

6 Where the Liquidator carries on a business, only the weekly totals of the Receipts and payments on the trading account shall be brought into the Central Cash book and the Company's Cash Book from the books of the trading account.

7 Where dividends are paid to creditors, only the total amounts of the dividends paid each day shall be entered in the Central Cash Book and the Company's Cash Book and the details of individual payments made shall be entered in the Dividends Paid Register.

Cash Books shall have their pages machine-numbered. As far as possible, no lines should be left blank, but if any space on a page of the Cash Book has to be left blank a diagonal line should be drawn to cancel the blank space, so that it may not be possible to make any subsequent entries therein. Interpolation of entries should be avoided, but when it becames necessary to make any entries between two ruled lines or to make any additions to or interpolation between entries already made, such additions or interpolation shall invariably be attested and dated by the Liquidator under his initials.

9 The Cash Book shall be balanced at the end of each day and Cash and Bank balances carried over to the following day. The Cash on hand shall be varified daily by some responsible officer, and at least once a month by the Official Liquidator personally. A certificate of verification of cash by actual count shall be recorded in the Cash Book by the Officer verifying the Cash. The Cash Book shall be closed monthly under personal attestation of the Official Liquidator. The Bank balance shall be reconciled with the statement of balance obtained from the Reserve Bank at the end of each month, after taking into account factors arising out of cheques drawn but not cashed or remittances made but adjusted in the Reserve Bank Accounts of a different month.

10 The total of the Cash and Bank balances of all the companies shall be tallied with the balances in the Central Cash Book once every month and a certificate shall be recorded in the Register that the total of the balances in the individual company's accounts agrees with the consolidated balance in the Central Cash Book.

[No. F. 5/6/65-CL-V.

N. PARASURAMAN, Under Secy.